

**SHREWSBURY ELECTRIC  
&  
CABLE OPERATIONS**

**COMMISSION MEETING**

**August 29, 2005  
7:00 PM**

**MINUTES**

**PRESENT:** C. JEFFERSON, Jr., Chairman  
S. DAVIS  
P. LYONS-GALLO  
R. LUTZ  
A. TRIPPI

**ABSENT:** NONE

**OTHERS**

**PRESENT:** T. JOSIE  
R. IACCARINO  
M. QUITADAMO

**1. Approve Bill Schedules**

The bill schedules were reviewed and approved as presented.

**2. Minutes – Light Commission Meeting – June 27, 2005**

***A motion:***

***To approve the minutes of the June 27, 2005 Light Commission meeting was made by C. Jefferson, Jr. and seconded by A. Trippi.***

***After a brief discussion, the minutes were approved with the deletion of the word “for”- Page 2, first paragraph, third sentence.***

### **3. Financial Statements – June 2005**

#### **a. Electric**

After the brief review and discussion, the Electric June 2005 Financial Statements were accepted as presented.

#### **b. CATV**

After a brief review and discussion, the CATV June 2005 Financial Statements were accepted as presented.

### **4. Cash Statements – July 2005**

#### **a. Electric**

After the brief review and discussion, the Electric July 2005 Cash Statements were accepted as presented.

#### **b. CATV**

After a brief discussion, the CATV July 2005 Cash Statements were accepted as presented.

### **5. Power Supply Cost and Rates – Update - Vote**

T. Josie reported that, recognizing what's happening to fuel prices this summer, it's been determined that power supply cost is more than what revenue can support and a reduction in year ending cash of approximately \$1.2M is projected as opposed to the \$700,000 originally projected in the 2005 Electric Budget.

In an effort to keep rates stable, the General Manager presented three options regarding a rate increase: Option 1 - increase rates 1.9%; Option 2 – increase rates 3.3% or Option 3 – increase rates 4.8%.

At present, SELCO's rates are 26% below Mass Electric. With the recommended rate increase, SELCO's rates will be 20% less than Mass Electric's current rates. It is anticipated that Mass Electric will be increasing their rates again in November 2005.

It is his recommendation that SELCO increase rates by 4.8% now rather than waiting until there is a deficit, withdraw the interest of \$228,000 from SELCO's Stranded Investment Fund at MMWEC, and transfer \$250,000 from SELCO's PCA Fund to General Cash to "balance" the additional cost in fuel prices rather than just increasing the rates.

SELCO has a Stranded Investment Fund at MMWEC. The Commission discussed the possibility of withdrawing cash from this fund in lieu of a rate increase.

C. Jefferson, Jr. suggested that a plan/policy be established for the use and draw down of this fund.

After further discussion,

***A motion:***

***To approve Option 3, increase electric rates by 4.8%, was made R. Lutz and seconded by C. Jefferson, Jr.***

***After a brief discussion, the motion was voted unanimously.***

#### **6. NU/Select Energy Contract Buyout – Update**

T. Josie reported that the municipal systems participating in the contract between MMWEC and NU/Select voted to accept the buyout of the contract. SELCO's share will be deposited in an account at MMWEC for alternative power contracts to replace the NU/Select Energy contract.

#### **7. 69KV Cable Failure – Special Town Meeting Article – Bond Issue Vote**

T. Josie reviewed past and present conditions regarding the 69KV cable failure of the Rolfe to Logan substations, thanking staff and crew for their excellent job in maintaining the situation.

PLM was engaged for a system review of alternative system design to supply Logan substation including replacement of the 69KV cable in the duct bank, as it presently exists. Preliminary project cost estimates are in the range of \$1M.

He recommended that the Commission request the Town, via the Special Town meeting scheduled for October 11, 2005, authorize the borrowing of \$1M to fund this project. If the project cost is higher, SELCO could take the additional money from the Depreciation Fund.

He emphasized that there would be no increase in rates or taxes to fund this project

***A motion:***

***Request Town Meeting approval to issue a bond of not more than one million dollars for the purpose of capital improvements to SELCO's electric system was made C. Jefferson, Jr. and seconded by R. Lutz.***

***After a brief discussion, the motion was voted unanimously.***

## **8. CATV License – Proposed Amendment - Update**

T. Josie reported that he filed the proposed amendment to the CATV License Agreement that would ensure, if the Town were to grant a second CATV license to another provider, the license would have identical terms and conditions as SELCO. The proposed amendment was filed in accordance with the process required by the DTE.

## **9. Operating Brief**

The Operating Brief was reviewed and accepted as presented.

The next Light Commission meeting is scheduled for September 26, 2005.

*A motion:*

*To adjourn the Light Commission meeting was made by C. Jefferson, Jr. and seconded by R. Lutz.*

*Without further discussion, the motion was voted unanimously.*

Respectfully submitted,

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Anthony M. Trippi, Clerk  
Shrewsbury's Light Commission